



**Joint Legislative Audit and Review Commission
of the Virginia General Assembly**

Current Status: Implementation of the Virginia Information Technologies Agency

**Senate Finance Committee
Glen S. Tittermary
August 25, 2003**

Background

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- **The Virginia Information Technologies Agency (VITA) was created by the 2003 General Assembly:**
 - **Information Technology Investment Board (ITIB)**
 - **Chief Information Officer (CIO)**
 - **Consolidation of IT agencies and selected other staff**
 - **Centralized procurement for IT**
 - **Centralized approach for development and deployment of systems by agencies**
 - **Phased implementation between July 2003 and January 2005**

Background

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- **At its July 2003 meeting, the Joint Legislative Audit and Review Commission directed its staff to monitor the implementation of VITA:**
 - **Organization of ITIB, CIO, and VITA**
 - **Operating and other management plans**
 - **VITA service agreements with State agencies (MOAs)**
 - **Consolidation of staff and IT assets**
 - **Systems development planning and project management**
 - **IT procurement**
 - **Costs and savings**

JLARC Monitoring of VITA

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- **JLARC monitoring will continue through the full implementation of VITA in 2005**
 - Periodic status reports to General Assembly committees on request
 - Final report to the General Assembly in 2005
- **Next steps**
 - Interviews with VITA staff, ITIB members, others
 - Interviews with agencies about MOA and other processes
 - Review of VITA policies, guidelines, plans
 - Review of VITA costs, revenues, and rates

IT Investment Board

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■ Current Status

- Legislative and executive appointments made
- Board held first meeting on August 5, 2003
- Secretary of Technology elected as chairman
- Interim bylaws and meeting schedule adopted
- Certain statutory responsibilities delegated to the interim CIO (Secretary of Technology):
 - approval of agency policies, guidelines, and procedures
 - approval of statewide technical data standards
 - approval of statewide architecture
 - approval of IT project investment priorities for 2003

IT Investment Board

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■ Concerns

- Board appears to be making a slow start to implementation of its statutory responsibilities with only one additional meeting scheduled for this year
- Delegation of certain responsibilities to the interim CIO appears contrary to legislative intent
- Board appears to have inadequate understanding of its duties, powers, and responsibilities
- Board members appear to be inadequately prepared to carry out statutory responsibilities due to lack of training and staff support from VITA and office of the Secretary of Technology
- Inadequate Board meeting space and other resources have been provided for in the VITA headquarters (now in renovation)

IT Investment Board

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■ Actions Required

- Board members need to be advised on their statutory responsibilities as a supervisory board and receive appropriate training
- The Board needs to rescind its delegation of responsibilities to the interim CIO
- The Board needs to become more actively involved in hiring the CIO, the development of IT project priorities, and in directing the future of IT in State government
- The Board needs to establish a full schedule of meetings to carry out its statutory mission and provide appropriate notification to the public
- VITA needs to provide for meeting space and other resources to support the Board

Chief Information Officer

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■ Current Status

- ITIB search committee created, Secretary of Technology as chair
- Potential search firms have been contacted
- Target for hiring CIO prior to January 2004

■ Concerns

- Board appears to be moving slowly to hire the CIO
- Firm to assist in search has not been retained

■ Actions Required

- Process for hiring CIO should be accelerated by the ITIB

Implementation of VITA Organization

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■ Current Status

- DIT, DTP, VIPNet merged into VITA
- Agency directorates and divisions created
- All but one senior executive and management staff hired
- Executive offices relocated

■ Concerns

- Agency organization fully established prior to hiring CIO
- Senior staff hired prior to hiring CIO

VITA Operating Plan

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■ Current Status

- Draft plan issued August 1, 2003 for review
- Final plan due August 30, 2003
- Quarterly updates planned

■ Concerns

- Lacks specifics on implementation such as schedules, employee transfers from agencies, transfers of assets, costs, and recovery of costs from customer agencies
- Lacks methodology for documenting savings from consolidation

VITA Operating Plan

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■ Required Actions

- Quarterly updates need to provide appropriate detail on implementation of the operating plan
- Methodology for documenting cost savings from consolidation needs to be developed

VITA Service Agreements (MOAs)

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■ Current Status

- Draft memorandum of agreement (MOA) prepared for comment
- Final MOA included in VITA operating plan
- Initial meetings with small agencies completed
- Technical assessments of small agencies completed
- Implementation of first MOA with State Board of Elections to be completed by mid-September (as a pilot)
- About three MOAs with small agencies to be completed each week through December
- Partnership with VDOT to provide regional resources, staff, and infrastructure

VITA Service Agreements (MOAs)

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■ Concerns

- Current MOA model appears appropriate for small agencies but may need modification for medium and large agencies
- Costs for technical requirements (new servers, security, applications) to implement MOAs for small agencies may be more than agencies can pay
- Approach for reimbursing VDOT for use of regional resources, infrastructure, and staff has not been established

Consolidation of Staff and IT Assets

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■ Current Status

- Due diligence survey of agencies completed to determine staff to be transferred to VITA:

Position	Agency Size			Total
	Small	Medium	Large	
Classified	7	58	746	811
P-14	0	2	23	25
Contractor	2	0	51	53
Total	9	60	820	889

- Transfers occur only after MOA has been completed, so no staff have been transferred to date
- A full staffing plan for VITA is in development

Consolidation of Staff and IT Assets

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■ Concerns

- While scaled down significantly from the initial proposal, the transfer of staff from line agencies may be over-reaching and inconsistent with legislative intent
 - Transfer of agency CIOs to VITA may leave line agencies without essential IT strategic knowledge and may be contrary to legislative intent
 - Capture of partial positions may lead to staffing and funding difficulties for agencies
- Despite its offers of assistance, the Department of Human Resources Management (DHRM) has not been adequately involved and has not completed appropriate quality assurance or change management

Consolidation of Staff and IT Assets

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■ Required Actions

- Scope of employee transfers needs to be reconsidered to ensure that all transfers are consistent with legislative intent
- DHRM needs to be formally involved in employee transfer process

Systems Development and Project Management

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■ Current Status

- **Project Management Division within VITA has been created**
- **Project manager training standards established**
- **Project management guidelines established**
- **Interim project approval process developed**

■ Concerns

- **ITIB will not have reviewed the project priority list to be reported by September 1, 2003**
- **Insufficient staff within Project Management Division to provide appropriate level of assistance and oversight**
- **Funding sources for training of project managers unknown**

Systems Development and Project Management

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■ Required Actions

- ITIB needs to implement an aggressive process for review of agency project requests as soon as possible**
- CIO needs to ensure that adequate resources are available for project management, including training of project managers in agencies**

IT Procurement

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■ Current Status

- Initiatives such as ProReform and Virginia Partners in Procurement are being developed
- Consolidation of IT procurement not yet implemented in VITA

■ Concerns

- The specifics of the procurement initiative are unknown
- Impacts of initiatives on VITA procurement for IT remain unknown

Funding for VITA Implementation

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■ Current Status

- Savings originally assumed by VITA will not be realized in FY 2004, though transfers from agencies remain in place
- \$3.7 million in transfers from small and medium agencies returned to agencies to cover costs of services under MOAs
- Detailed cost estimates for implementation of VITA not available until August 30

■ Concerns

- A detailed funding plan for VITA has not been developed
- Fund transfers from large agencies have not been addressed, so large agencies may have insufficient funding to pay for VITA services
- Potential savings from procurement consolidation not yet identified

Funding for VITA Implementation

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■ Required Actions

- The interim CIO and VITA need to develop a detailed plan for funding VITA services and initiatives, and present the plan to the Senate Finance and House Appropriations Committees